Conflict and dialogue: What can the development community do better?

This issue of DACnews zeroes in on two important areas of attention for the development community: conflict and dialogue. It takes a look at how the reality of conflict impinges on development, and vice versa. It also focuses on the growing complexity of the development landscape, and how increasing dialogue is helping to build a road on common ground.

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Challenges and opportunities in the Central African Republic
The situation in the Central African Republic (CAR) is too disturbing for donors to ignore it. Yet its chronic, complex and deep-seated nature makes it difficult to identify a straightforward response that will have a fair chance of success. At a multi-stakeholder consultation facilitated by the DAC Secretariat to assess the impact of international engagement in CAR, one of the 90 participants said: “...the situation is like that of the proverbial frog in a pot of water: because the water is heated gradually, the frog ignores the danger and so does not jump out.”

CAR is poor and getting poorer. There is acute malnutrition in spite of fertile soils. Violence, road banditry and foreign incursions are the order of the day, contributing to this slow asphyxiation. And CAR is one of the two Least Developed Countries in Africa with a falling Human Development Indicator; life expectancy there fell from 49 years in 1988 to 43 years in 2003.
While CAR has a history of violent coups (four between 1965 and 2003); today malaria, HIV/AIDS and diarrhea are the main killers. This small country of around 4 million people is landlocked by five countries, each with its own share of problems: the soft belly of Central Africa, it can stabilize or destabilize the region.

In this context, what has been the extent of donor support? Between 1985 and 2006, official development assistance (ODA) to CAR fell by 49%. Currently, there are only five main donors (providing more than 5% of CAR’s ODA each and with resident representation), of which only two are bilateral donors. Moreover, while aid per capita – at USD 41 – is a little over the sub-Saharan average (USD 35), CAR is under-funded in relation to its need. Ranked 178 out of 179 on the Human Development Index (2008), with two-thirds of the population living on less than one dollar a day (2007), CAR is unlikely to meet any of the MDGs by 2015.
What is needed to improve this situation? While more aid would be welcome, the greatest urgency now is to improve the quality of aid to CAR.

When donors are scarce and there are limited resources to cover vast needs, the focus is often placed on raising more resources. CAR is no exception: it has been recognise as a “forgotten crisis” and its humanitarian funding has jumped from USD 2.9m in 2004 to 90.3m in 2008; 35% of CAR’s ODA is currently provided as humanitarian aid. This sort of “long-term humanitarian assistance”, however, is a contradiction in terms unless it is successfully geared toward recovery, or circumstances prevent moving from emergency to recovery. Neither of these is the case in CAR.

Furthermore, development efforts in CAR are not concentrated in areas where ex-combatants are being demobilised and reintegrated into their communities, and this means that they have little to reintegrate into. And because resources are not properly leveraged, corruption has run rampant. CAR is ranked 151/180 in the Transparency International Corruptions Perceptions Index. Without improved governance, adding more money is like pouring water in the sand.

What next? While 2010 is election year and therefore fraught with challenges, it is a year of great opportunities. CAR has seen a gradual return to socio-political stability and economic growth during 2004-07, culminating in a peace dialogue in 2008. Its debt relief under the Heavily Indebted Poor Countries initiative was celebrated with song and dance throughout the country. The upcoming elections, if free and fair, will signal a consolidation of democracy.

Current attempts to rationalise aid in CAR will contribute to increasing wellbeing. Humanitarian actors are increasingly gearing their programmes towards longer-term recovery. The European Commission and the United Nations Peacebuilding Fund, in particular, aim to complement the predominantly humanitarian approach and extend development efforts beyond Bangui. Moreover, CAR is a country of low hanging fruit: small investments can have huge impact on satisfying the basic needs of its small population, reversing the slide into poverty.

The DAC, through its International Network on Conflict and Fragility (INCAF) is preparing a report on CAR as part of the Fragile States Principles Monitoring Survey. The report will gauge the quality of international engagement there. INCAF has also offered to support an upcoming national roundtable on Security System Reform. The DAC monitors resource flows to CAR and other fragile states (aid, peacekeeping expenditures, trade and remittances) and collaborates with the UN Peacebuilding Commission to raise awareness about this "aid orphan".
Armed violence and development

The United Nations Secretary-General's report *Promoting Development through the Reduction and Prevention of Armed Violence* has been released and will be tabled in November 2009 at the UN General Assembly.

It is a common assumption that social, economic and political development will gradually strengthen state institutions and lead to an increase in public security and safety. Nonetheless, over the past 20 years some areas where economic and social development has been advancing have actually experienced an increase in armed violence. This indicates that armed violence has its own dynamic, and therefore needs to be treated as a policy issue in its own right.

The UN report cites increasing evidence on the complex ways in which armed violence acts as both a cause and consequence of underdevelopment. This type of practical evidence – together with effective strategies to prevent and reduce armed violence – is indispensable in helping affected societies to meet their development targets. The UN report recognises and draws from the armed violence reduction work underway in the DAC: "The OECD-DAC [publication] *Armed Violence Reduction: Enabling Development* (OECD, 2009) highlights the linkages between conflict and crime, the increasing challenges posed by growing youth populations in developing countries and the overlapping security challenges present from the local to the global level. Such efforts suggest that a growing body of policy and practice is emerging and being adopted by key actors in the development sector to guide their investments in armed violence prevention and reduction policies and programmes."

Today, many states find themselves caught in a "conflict trap", where continued armed violence and insecurity cripple development prospects. This includes many of the world’s poorest countries, most of them in Africa. Similarly, many states in non-conflict settings have high levels of organised criminal and interpersonal violence; the resulting insecurity imposes great costs on fragile institutions, discourages investment and leads to unproductive household, community and government spending on security, crime prevention and public order. DAC donor countries have come together – through the International Network on Conflict and Fragility – to agree on a common approach to armed violence prevention and reduction in the countries they support.

The DAC of the future: Reaching beyond the development community

The development community still has a long way to go to meet the targets set for creating development impact. With less than two years left before the Fourth High Level Forum on Aid Effectiveness (Seoul, 2011) – where we will assess progress in making aid more effective – we know that addressing the world’s development challenges will require much more than aid.

The DAC recently completed a reflection exercise on the future of development co-operation. The report, “*Investing in Development: A Common Cause in a Changing World*”, puts forward several important messages:

- We need to view development co-operation as a strategic investment in a common future. In a globalised world, it is key to achieving stability, economic integration,
human security and opportunity for all. It is important that we communicate this view of
development co-operation better, especially to dispel the common but erroneous
perception that development co-operation is public charity.

- The development community needs to become more involved in other policy areas that
shape the international context for development. Successful development means
tackling global issues such as climate change, control of infectious diseases, financial
stability, an accessible and equitable world trade system, access to knowledge, and
international peace and security. It needs to help foster coherent policy actions in areas
like trade, investment, security, migration, tax co-operation and anti-corruption.
- The current architecture and institutional set-up of development institutions must
change: greater client orientation, reduced organisational complexity, and simplification
of instruments and procedures are fundamental.
- The development community will have to deal much more with factors beyond its remit,
and often outside of its control. It will also need to ensure that citizens support
development, which calls for becoming much better at demonstrating the impact of
investments.

In the words of Eckhard Deutscher, Chair of the DAC: “Implementing these ideas will mean
transforming the DAC as we know it today. The DAC of the future will be much more involved
with global issues like climate change and equitable trade, and will sharpen its policy tools to
permit this. We will monitor the impact of our work and hold ourselves to account. And we will
be much more inclusive and pro-active in working with others.”

Widening the dialogue

Members of the DAC met with a range of other providers of development co-operation for a
Policy Dialogue in Mexico City on 28-29 September 2009. At the event, which was hosted by
the Mexican Foreign Ministry, participants exchanged views on their common goals in
international co-operation, compared lessons drawn from their diverse approaches to co-
operation and discussed the potential of more joint work.

Demand for such dialogue is stronger than ever. At last year’s UN Development
Cooperation Forum (New York), participants expressed the need for all providers of
development co-operation to arrive at more widely agreed development co-operation practices
and objectives. Recognising the important contribution to development made by middle-
come countries and providers of South-South co-operation, the 2008 Accra Agenda for
Action encourages all providers of co-operation to work together to improve the effectiveness
of their efforts.

Discussions in Mexico revealed that there is much common ground. Promoting poverty
reduction and economic growth, and supporting partner countries in times of crisis remain the
highest of shared priorities. And new goals, such as the provision of global public goods and
addressing climate change, are of increasing concern to all.

Participants also agreed broadly on the principles that should underpin these shared goals.
First and foremost, they stressed the importance of partnership. Latin American countries, for
example, emphasized that their co-operation is horizontal, based on mutual benefits and
shared learning with partners. DAC members spotlighted their efforts to develop true
partnerships with aid recipients, spurred by the recognition that aid can only be effective if its recipients have true ownership of their own development policies and processes. In line with the principles of partnership and ownership, participants agreed that supporting the development of partner countries’ capacity to manage the development process is a fundamental objective of all co-operation.

Several participants noted that convergence around goals and principles do not necessarily mean that providers of development co-operation need to harmonise their ways of delivering assistance. Leaving space for a diversity of approaches, they argued, helps partner countries to find innovative and well-tailored solutions to their development challenges. Participants agreed that there is a lot of scope for learning from each others’ experiences and replicating those that have generated sustainable development results.

Participants also noted the scope for learning about triangular co-operation. Several presentations revealed strong political interest in expanding on this front, referring to it as a potential “win-win-win” for all partners: traditional donors, other providers of development co-operation and beneficiary countries.

The DAC Secretariat presented a paper on Triangular Co-operation and Aid Effectiveness, outlining the perceived benefits and main challenges in making it work. On the one hand, triangular co-operation is often more relevant to the needs of beneficiary countries than bilateral co-operation; but on the other, the involvement of multiple partners brings added transaction costs and co-ordination challenges. Further sharing of lessons learned and evaluations of triangular initiatives can help elucidate ways in which the benefits of co-operation can be maximised and costs reduced. A full report of the Policy Dialogue will be available in the coming weeks. In the meantime, please visit www.oecd.org/dac/mexicodialogue for the background documents and presentations delivered at the event.

Feature article

Securing human development in a resource-constrained world

DACnews invited Mathis Wackernagel Ph.D., co-founder of the Ecological Footprint and President of the Global Footprint Network, to share his views on what we should be thinking about as we prepare for the United Nations Climate Change Conference (COP15) in Copenhagen, 7-18 December 2009.

As our global leaders prepare for Copenhagen, the crucial issue of climate change will once again be thrust onto the public consciousness. At no other time will we have such an opportunity to urge these leaders – and the world – to recognize that the carbon problem is part of an overall resource crunch – a symptom of human pressure on resources that is reaching a critical tipping point. The concentration of carbon in our atmosphere is the most critical resource issue we face. But there are others as well. Access to fresh water, food security, forest resources, biodiversity, oil – all of these will increasingly be under threat as long as humanity continues to use more resources than the Earth can provide.

In today’s world, with humanity already exceeding planetary limits, ecological assets are
increasingly critical. Each country has its own ecological risk profile, and many are running ecological deficits, with Ecological Footprints (or resource demand) larger than their own biological capacity. As a consequence, they often deplete their own ecological assets or must depend heavily on resources and ecological services from elsewhere, which are under growing pressure. In some areas of the world, the implications of ecological deficits can be devastating: resource loss, ecosystem collapse, debt, poverty, violent conflicts and famine.

A comprehensive approach to these concurring issues not only increases the chances of solving them, but directly affects development in low-income countries, whose populations often suffer first and most tragically as resources become scarce. One of the greatest challenges for these regions remains: how can people in low-income areas move out of poverty in a world of shrinking resources?

In a world of climate change and resource degradation, it is fundamental for managers and policy makers to have reliable assessments of human demand compared to ecosystem capacity – year by year. In 2006, Global Footprint Network and the Swiss Agency for Development and Cooperation launched a multi-phase, sustainable Human Development Initiative, focused on Africa, to explore how ecological limits apply and relate to human development. We discovered that African countries have some of the lowest per capita Ecological Footprints in the world – in many cases too small to meet basic needs for food, shelter, health and sanitation. Aggregate results for Tanzania (Figure 1) illustrate this comparison.¹
We must view resources as assets. To maintain a healthy budget, we must know how much we spend, versus how much we have. The Ecological Footprint is an accounting approach that allows us not only to measure; through that measurement, we can also manage human demand on these assets. This can help development efforts to work with, rather than against, the Earth’s ecological budget constraints. The Footprint provides a systematic way of land accounting. It measures the amount of ecological services people use and expresses this in terms of the area of productive land and sea required to renew all the resources a person, population or activity consumes and to absorb the corresponding waste, particularly carbon dioxide emissions. The accounting unit is global hectares, meaning hectares with world-average productivity.

This data has helped shed light on many of Africa’s ecological challenges, paving the way for more informed decision making at the national level. For example, in June 2008 at the African Conference of Ministers of the Environment, Global Footprint Network and WWF issued *Africa: Ecological Footprint and human well-being*, which offers an in-depth look at the region’s resource assets and pressures. A more detailed report *Footprint Factbook: Africa 2009* was released early this year. These publications show that many African countries are ecological creditors, with a potentially valuable surplus of natural assets. At the same time, the booming population is escalating stress on available resources, bringing the region close to its ecological limits even while per capita consumption remains, in many
instances, too low to provide for basic wellbeing.

By combining the Ecological Footprint with the UNDP’s Human Development Index (HDI) (or similar measures of human wellbeing), we are able to measure the minimal conditions for sustainable human development, defined as a situation in which all humans can have fulfilling lives without degrading the planet. The HDI measures a country’s average achievements in the areas of health, knowledge, and standard of living.

![Figure 2. Sustainable development: Where are we today?](http://www.oecd.org/dataoecd/52/1/43844294.htm)

The same approach can be used when exploring what is needed to make local development last. Unfortunately, despite growing adoption of sustainable development as an explicit policy goal, most countries do not meet both minimum requirements on either the Footprint or the HDI scale. The good news is that there are many opportunities to manage and use biocapacity more effectively, and to invest in human development programmes that move a country closer to sustainability.

As nations continue to grow and develop, decisions and investments made today will determine the future wellbeing of our resources and humanity. For example, infrastructure choices can lock cities and nations into economically and ecologically risky paths of high resource dependence, or they can increase their resilience in the face of growing resource...
Careful investments in energy systems, transportation, health, education or urban infrastructure can move countries into a stronger position in the HDI-Footprint graph (Figure 2), providing higher human development and less of an ecological deficit. These investments need to be tested for how they will affect the three sub-indices of the HDI, as well as the country’s resource dependence. If they generate gains in both arenas, they will advance human wellbeing that can last.

In a world of growing resource constraints, gains built on liquidating ecosystems and that put at risk ecological services will be short-lived; the countries with the least financial means will be the most at risk of suffering the consequences. On the other hand, nations that develop in ways that take into account ecological limits – whether they have high or low incomes – will be the best poised to adapt to resource constraints, and to provide lasting advances in human development.

For more information, you can contact Mathis Wackernagel via Kristin Kane at kristin@footprintnetwork.org.

1. Much of the discussion leading up to the COP15 in Copenhagen is focused on the carbon Footprint. Nonetheless, a “carbon plus” view is fundamental if we are to understand the significance of current environmental trends. While the Ecological Footprint wholly contains the carbon Footprint, it takes a more comprehensive approach by tracking a full palette of human demands on the biosphere’s regenerative capacity. Furthermore, it can compare this demand against availability of biocapacity, which the carbon Footprint does not do. With a carbon analysis alone, overall trends – as shown in the example of Tanzania (Figure 1) – would not be visible to the assessment. The carbon Footprint of Tanzania for 2005, for example, was less than 8% of the overall Footprint (or about the thickness of the red line in Figure 1). In a carbon constrained world, we need to know more than the level of carbon emissions; we also need to focus attention on biocapacity trends that could be particularly vulnerable to climate change.

Also in this issue...

News in Brief

From the DAC initiative on Capacity Development:

- **CD Learning Platform in Africa.** The initiative is working with the Learning Network for Capacity Development (LenCD) and southern partners (African Capacity Building Foundation [ACBF] and New Partnership for Africa’s Development [NEPAD]) to set up a Capacity Development and Learning Platform for Africa. This forum for learning, exchange of knowledge and resources on capacity development in Africa will seek to identify current operational “good practice” in the priority areas signalled by the Accra Agenda for Action and to lay the foundation for a more southern-led effort in Africa. The final design is now approaching completion and the Platform will be launched soon.

- **LenCD-DAC joint initiative on good practice for training and alternative approaches to learning for capacity development.** This newly launched initiative aims to produce a good practice guidance note by January 2010. This work will be nourished by a one-week learning exchange to take place in Turin, 7-11 December, and
a discussion forum that has been established on www.capacity-development.org. Those interested are invited to register and participate in the discussion.

- **“Southern Perspectives on Capacity Development” event.** The CD Alliance and the DAC Secretariat will host this special half-day event, led by CD Alliance co-chair Talaat Abdel Malek, to review partner country perspectives for the capacity development agenda. The participants will explore options for preparing themselves to address their enabling-environment constraints when dealing with the international donor community. The event will be held at the OECD in Paris on 30 November 2009. For more information contact James Hradsky (james.hradsky@oecd.org) or Silvia Guizzardi (silvia.quizzardi@oecd.org).

### DAC Peer Reviews

**Sweden: A leading advocate of increased aid flows**

Sweden is providing crucial leadership within the international donor community. Its aid allocations have exceeded the UN target of 0.7% of GNI every year since 1975 and reached 0.98% in 2008. Sweden has budgeted for its aid to reach 1% of its GNI in 2009. This leadership is especially important in the current climate of global recession when development co-operation budgets are under pressure.

The DCD Peer Review team has conducted a **Survey on the Levels of Decentralisation to the Field in DAC Members' Development Co-operation Systems**. The results of this survey indicate that all DAC members are attempting to decentralise authority over development co-operation to the field. The commitment to decentralisation has been rising since the **Paris Declaration** was adopted. This commitment has been expressed in official policy statements by most members, but the degree of delegation of authority varies considerably from country to country. In terms of financial commitments and disbursements, there is also a wide range of authority at the field level.

### Publications

**Integrating Climate Change Adaptation into Development Co-operation: Policy Guidance.** The negative impacts of climate change will hit poor people and poor countries disproportionately, further compromising the achievement of their development objectives. This publication provides essential information and advice on how to facilitate the integration of climate change adaptation into development processes.

**Improving Incentives in Donor Agencies (First Edition): Good Practice and Self-Assessment Tool.** Under the Paris Declaration, donors and partner countries committed to “reform procedures and strengthen incentives for management and staff to work towards harmonisation, alignment and results”. This commitment was based on the recognition that the needed changes will not happen automatically, as there are a number of up-front and long-term costs. This publication addresses the need for donors and partner countries to strengthen
incentives for their agencies to work toward this objective.

* Aid for Trade at a Glance 2009: Maintaining Momentum. * This publication presents the results of the second monitoring exercise of the Aid-for-Trade Initiative and documents its success so far. It examines trends and developments, and presents a comprehensive analysis of donor and partner country engagement.

**Other reading**

* Promoting Pro-Poor Growth: Employment. * This report invites donors to support more fully developing countries' employment objectives and to pay more attention to the employment consequences of their aid expenditures. Based on evidence from developing countries and good practices in co-operation between donor and partner countries, the report identifies a number of key areas for action to improve the impact of aid programmes on employment.

* Promoting Pro-Poor Growth: Social Protection* shows that social protection programmes can be affordable, including in the poorest countries, when they are well designed and well implemented. But if it is to deliver lasting benefits, social protection needs strong and long-term political will and commitment. Donors can help by engaging in long-term partnerships with partner countries to provide the technical and financial support they need to underpin their efforts.

* Promoting Pro-Poor Growth: Employment and Social Protection*. This report contains a Policy Statement “Making Economic Growth More Pro-Poor: The Role of Employment and Social Protection”, plus two Policy Guidance Notes: “Employment is the Major Route out of Poverty: How Donors Can Help” and “Social Protection, Poverty Reduction and Pro-Poor Growth”.

* Resource Flows to Fragile and Conflict-Affected States: Annual Report 2008*. While many countries are making progress towards achieving the Millennium Development Goals, others are falling behind. This report provides policy makers and country offices with a tool to better monitor the levels, timing and composition of resource flows to fragile states. It aims to contribute to improving transparency and co-ordination by triggering discussion about removing the obstacles to more effective resource allocation to these states.

* State-Provided Service, Contracting Out, and Non-State Networks: Justice and Security as Public and Private Goods and Services*. This report discusses the balance and relationships among methods of distribution and delivery of justice and security in the post-colonial fragile state. It offers recommendations to help the development community support these states in strengthening the delivery of justice and security to their citizens.

* Donor Approaches to Governance Assessments: 2009 Sourcebook*. The recognition of the importance of good governance has grown among donor agencies and country partners, evolving from narrow concerns about public-sector management to encompass a broad set of interconnected issues, including the role of formal and informal institutions, security, human rights and corruption. This report is intended to help agency staff, partner country stakeholders and practitioners in conducting and discussing the governance assessments in which they are actively involved.
**Human Rights and Aid Effectiveness: Key Actions to Improve Inter-Linkages.** This information sheet sets out key actions, agreed by the DAC-GOVNET Human Rights Task Team, for achieving aid effectiveness with full respect for human rights. It aims to strengthen synergies in order to improve development results.

**Issues Briefs**

International agreements often make reference to mutual accountability. But what does it really entail, and what does it hope to achieve? This Issues Brief answers these questions and more.

A series of Issues Briefs examines the connections between gender equality, women’s empowerment and aid effectiveness. The most recent Briefs in the series (numbers 4 and 5) focus on managing for gender equality results. They outline strategies to assist donors and partners in managing for gender equality.

**OECD DAC countries’ ODA in 2008 - Preliminary data**

| USD 119.8 billion up 10.2% in real terms and 0.30% of DAC members’ combined GNI |

OECD DAC Statistics including Aid at a Glance charts for DAC members, recipient countries, and by region.

**DAC job opportunities**

The Paris-based OECD DAC Secretariat is recruiting for the following position: Humanitarian Aid Advisor/Policy Analyst responsible for providing assessments of DAC members’ humanitarian aid policies and programmes against the framework of the Principles and Good Practice of Humanitarian Donorship. These assessments are an integral part of the Peer Reviews of DAC members’ development co-operation systems. Ref. 3350, closing date for applications is 21 October 2009.

For more information on this vacancy and how to apply, please go to OECD job vacancies.

**About Us**

The OECD DAC is the main global forum where bilateral donors, alongside multilateral donors, work together to achieve real development progress for poorer countries. Inside the DAC. What is the DAC? How does it function? This brochure will give you all the
answers.

More information about [OECD work on development](http://www.oecd.org/dataoecd/52/1/43844294.htm).

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